



COMMITTEE of the WHOLE

CITY COUNCIL

MINUTES
August 11, 2008
5:00 P.M.
Council Office

COUNCIL MEMBERS PRESENT:

M. Goodman-Hinnershitz, J. Waltman, D. Sterner, M. Baez, V. Spencer, S. Fuhs, S. Marmarou

OTHERS IN ATTENDANCE:

C. Younger, C. Kanezo, L. Kelleher, S. Katzenmoyer, M. Vind. R. Hottenstein, L. Lee, M. Setley, D. Hoag, C. Jones, Representatives of Black & Veatch, Representatives of Hill Weston

Vaughn Spencer, President of Council, called the Committee of the Whole meeting to order at 5:05 p.m.

I. Parking Authority

Mr. Hottenstein reviewed the proposal made to the Parking Authority regarding the 2009 budget. He noted that a meeting is scheduled at the end of this week between the Administration and the Parking Authority Executive Director.

Mr. Lee commented that the Parking Authority has been involved in both long-term and short-term financial planning. He noted the accumulation of cash which was to be used toward the garage at the Convention Center Hotel. The project will put the Parking Authority \$9 million in debt. He reminded Council that the Parking Authority will be paying the City \$835,000 in 2008 which is the final payment owed for past projects. He described the problems with the leaseback proposal made to the Parking Authority by the Administration. He requested time to analyze the Parking Authority's finances so that a better alternative could be proposed.

Mr. Setley, Parking Authority Solicitor, noted his discomfort with the amount and duration of the initial proposal. He reviewed the Parking Authority's current financial state and future projections. The Parking Authority is counter-proposing to pay the

City \$4 million in 2009 and a percentage of net income on a yearly basis rather than a yearly flat rate.

Mr. Lee explained that the Parking Authority wishes to assist the City in any way possible but fears over-extending itself and operating in the red. This will cause the Parking Authority to seek City assistance. He noted that the Parking Authority is currently at a 92% occupancy rate.

Mr. Marmarou questioned the similarities between Reading's and Harrisburg's Parking Authorities. Mr. Lee noted that the need for government spaces in Harrisburg creates a firmer revenue stream for the Harrisburg Parking Authority that Reading does not have.

Mr. Waltman questioned the original intent of the \$4 million which would be given to the City. Mr. Lee noted that it was earmarked to be used toward the \$9 million convention center hotel garage project. Mr. Setley noted that it would have helped reduce the loan amount for the Parking Authority.

Mr. Waltman noted the need to continue negotiations to put fewer financial burdens on the City. He noted the need to find a middle ground in the financial crisis faced by the City. Mr. Lee feels this is an aggressive but responsible plan.

Ms. Goodman-Hinnershitz thanked the Parking Authority for bringing this alternative forward. She described the City-wide parking problems. Mr. Lee informed Council that the Parking Authority is currently studying this problem.

Mr. Sterner congratulated the Parking Authority on their good work. He stated that he was glad to hear this alternative for the financial plan.

II. Memo of Understanding Waste Water Treatment Plant

Mr. Spencer questioned if a memo had been drafted. Mr. Hottenstein noted that there is a draft. Council noted that they had not been given a copy of the draft.

Mr. Fuhs asked Ms. Goodman-Hinnershitz to clarify her intent with the Memo of Understanding. Ms. Goodman-Hinnershitz noted the different processes that occur during the bidding and RFP process. She indicated that the Memo would clearly state the process and each party's role in that process. The Memo would include timelines and act as the roadmap for the project moving forward. This would help to simplify this very complex process.

Mr. Waltman stated that Council would still need to perform their due diligence. He noted that the financing of this project remains unaddressed. He has been questioning this issue for three years. He expressed his belief that if he doesn't get the answers he needs to make decisions he will not vote.

Ms. Goodman-Hinnershitz indicated that she will draft a Memo.

Mr. Fuhs noted that good communication is the key.

III. Award of Contract – Project Manager and Construction Manager Waste Water Treatment Plant

Mr. Fuhs questioned the percentage of completion of the design of the waste water treatment plant. Mr. Reny, of Black and Veatch, indicated that the design is in the preliminary stage. He noted that it is within the 15% - 20% range and will be 30% complete when given to the City for review. He projects this to occur by the end of October.

Mr. Fuhs questioned if value engineering could occur after 30% completion. Mr. Reny indicated that it could be done but it becomes more costly and does not have the same impact for savings.

Mr. Fuhs questioned if Black and Veatch had a value engineering team look at its designs. Mr. Reny noted that they have a quality control team who is not working on the design review the plans.

Ms. Goodman-Hinnershitz requested this information be reflected in the minutes for future reference.

Mr. Fuhs indicated that Council President Spencer has requested this item not be placed on this evening's agenda. Mr. Hottenstein voiced his opinion that the body sets the agenda. Mr. Spencer indicated that the Council President sets the agenda. He informed Council that five votes would be necessary to amend the agenda.

Mr. Sterner questioned why this was not on the agenda. Mr. Fuhs reminded Council of the inappropriate process followed by the Administration. He also expressed his opinion that Council members were contacted inappropriately regarding this issue.

Mr. Waltman made accusations of game-playing. He noted that this is wasting time and is counter-productive.

Mr. Fuhs noted the conflicting legal opinions regarding reconsidering a vote. Mr. Waltman disagreed.

Mr. Spencer noted that it would remain on the table and not be added to the agenda.

Mr. Spencer questioned Mr. Younger if a contract award could be re-submitted for vote. Mr. Younger noted that it could.

Mr. Sterner stated that if the contract is not awarded the Administration will be forced to request proposals again. He questioned what would change.

Mr. Waltman noted that this issue is in stalemate. He noted his attempt to remedy the situation. He stated that this agenda tactic is used selectively.

Ms. Goodman-Hinnershitz noted her concern with reconsidering the vote on this issue in the absence of the Council President. She noted that bifurcation should have taken place prior to the RFP process. She also noted that Council could have requested to be part of the selection team but did not follow through. She noted her

belief that when there are conflicting legal opinions, the City Solicitor's opinion should be followed. She noted the need for compromise to move forward.

Mr. Sterner noted that he was contacted by one of the losing firms to try to sway his vote. He stated that if the RFP process begins again, there is a good chance that the same firm could be brought forward.

Mr. Fuhs noted that problems and flaws with this RFP were identified by other firms in the process. This caused Council to begin questioning the process. He noted his hope that the process would be re-examined. He also noted that Council was told that they could not review the proposals or question the firms because the information was confidential. After the request to reconsider, a meeting was scheduled with Hill Weston but only three members of Council could attend. Mr. Younger noted that this was due to the fact that the meeting was not advertised and could be construed as a public meeting.

Mr. Waltman again voiced his objections to this issue not being placed on tonight's agenda. He noted that this reflected poor leadership on the part of the Council President and disrespect to Council. Mr. Spencer noted that this policy has always been in place. Mr. Waltman noted that this sets a dangerous precedent and that certain actions will be planned to be voted upon during the absence of the Council President.

Mr. Fuhs suggested that Mr. Waltman amend the ordinance which sets the policy on setting the agenda. Mr. Waltman noted that he tried this in the past and the ordinance had no support. He noted he will work on this again. Mr. Spencer noted that this becomes a danger only if Council deviates from the policy.

Mr. Spencer noted his decision not to place this item on the agenda is so that he can have further questions answered.

Mr. Waltman requested the next steps to move this issue forward. Mr. Spencer noted his wish to continue meeting and gathering information.

Mr. Hottenstein clarified the process used by the RFP selection committee. He expressed his belief that the same process was used by this committee as is used by all selection committees. Mr. Fuhs noted that this does not negate the complaints received by Council. He noted his obligation to address those complaints.

Mr. Sterner expressed his belief that this issue is beyond negotiations and that Council is dangerously close to interfering in the Administration's duties.

Ms. Goodman-Hinnershitz reminded Council to be careful with information received from firms who submitted unsuccessful proposals. When this amount of money is at stake, these firms may not be entirely truthful. She again noted the need to agree on the process.

Mr. Jones stated that two firms were eliminated from consideration early in the process. They have not filed complaints but, rather, wish to know why they failed so

that they can make improvements in the future. He noted this is a much better approach.

Mr. Waltman noted that the Charter allows citizens to place items on the agenda with 35 signatures. Mr. Younger noted that a petition with 35 signatures would place an item on the agenda. Mr. Waltman expressed his opinion that this process would move this issue forward.

IV. Agenda Review

Council reviewed the agenda for this evening's meeting.

The meeting was adjourned at 6:37 pm.

Respectfully Submitted

By: _____
Linda A. Kelleher, City Clerk